

Bolzano, 31 March 2021

## Alperia Group: 2020 budgets approved with positive results despite the effects of Covid-19

- Total revenues of over €1.4 billion (- 7% compared to 2019)
- EBITDA up by approximately €229 million (+ 6% compared to 2019)
- Positive Group net profit, equal to €60 million compared to €56 million recorded in 2019
- Dividends proposed, equal to €33.3 million, sharply up on the previous year (+ 28%)
- Around €127 million of investments (€105 million in 2019)

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On 31 March 2021, the Management Board of Alperia SpA examined and approved the Company and Group results for the 2020 financial year.

Total Group revenues amounted to €1.438 billion, down on last year (- €109 million), reflecting the negative effects of the pandemic. 2020 saw significant rain and snow fall. Hydroelectric production increased significantly compared to the previous year (+ 19%). The average price of energy on the Power Exchange was just under €39/MWh, the lowest level recorded since its inception, falling by 26% compared to 2019.

### EBITDA growing

Group EBITDA amounted to €229.0 million, compared to €215.8 million in 2019. However comparison between the two years is not like-for-like, also due to (i) the classification in 2020 of the company Biopower Sardegna Srl among Continuing Operations and (ii) the change in the scope of consolidation.

From 2020, the aforementioned value of €229.0 million includes the economic effects of the derivative financial instruments relating to commodities previously classified in the financial section; To allow comparability with the 2020 figures, the same 2019 figures were similarly restated.

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südtiroler  
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The Group's net profit, equal to €60.0 million, was particularly positive (+ €3.8 million compared to 2019), also considering a major write-down carried out in 2020, following an impairment test on the value of the financial receivable linked to ownership of the high voltage power line, recognised in compliance with IFRS 16 (net effect of €10.9 million).

## **Investment record**

Investments relating to the ordinary management of the Group in 2020 amounted to approximately €127 million (approximately €105 million in 2019). They were aimed in particular at electricity distribution to strengthen the quality and continuity of service and at generation for the modernisation of hydroelectric plants.

Net financial indebtedness stood at €395.0 million at the end of 2020 (€383.9 million at 31 December 2019). The NFP/EBITDA ratio is 1.7x, allowing excellent financial flexibility in the Group's future investment choices.

## **Dividend proposed by the Management Board**

In terms of the parent company Alperia SpA, with its net profit of €30.5 million (€27.6 million in 2019), the Management Board has proposed to distribute €28.3 million to its shareholders as dividends for the year 2020, to allocate €1.5 million to the legal reserve (as required by current legislation) and carrying forward the remaining €0.7 million.

The Management Board has also proposed an extraordinary distribution of a further €5.0 million of retained earnings generated in previous years.

The proposed amount of dividends therefore amounts to a total of €33.3 million, which is an increase of €7.3 million compared to the dividends approved the previous year (+ 28%).

## **Relevant factors in the individual Business Units**

### **Generation Business Unit**

- Very high hydraulic power generation, thanks to favourable water supplies
- Electricity generation, mainly concentrated in hydroelectric production in South Tyrol, reached 4,908 GWh, up 18% compared to 2019

### **Sales and Trading Business Unit**

- The amount of electricity sold to customers was 5,372 GWh, substantially in line with the previous year (- 1%)

- Wholesale electricity sold totalled 3,166 GWh, a significant decrease compared to 2019 (- 34%)
- Volumes of natural gas to customers reached 421 million cubic metres, down (- 9%) compared to 2019

#### **Grids Business Unit**

- Electricity distributed in the region was 2.515 GWh (2.724 GWh in 2019) at around 236,000 withdrawal points
- The electricity grid extends for 8,951 km with related plants and infrastructure
- 72% of power lines are laid underground to minimise environmental and landscape impact

#### **Heat and Services Business Unit**

- Electricity production from cogeneration and biomass went up from 307 GWh in 2019 to 317 GWh in 2020
- Thermal energy production was 222 GWht, slightly up on 2019 (+ 2%)

#### **Smart Region Business Unit**

- This includes Alperia Fiber, which works in the management of Smart Land and Darf Fiber, as well as Alperia Bartucci and Gruppo Green Power, active in the energy efficiency sector. In relation to the latter group, it should be noted that in 2020, Alperia acquired the entire share capital, delisting the shares from the Borsa Italiana AIM Italia market and carrying out some operations aimed at greater efficiency of the group. The simplification and rationalisation process was completed with the merger by incorporation into GGP of the two main subsidiaries which took place with effect from 1 January 2021.

#### **Group**

- In November 2020, the competent corporate bodies approved the new One Vision 2020-2024 Business Plan, which will lead the Group to 2024 by combining sustainability objectives with the significant growth of all Business Units. 80% of the investments envisaged by the Plan are intended to meet at least 10 United Nations Sustainable Development Goals, with the priority mission of making the Alperia Group “Carbon Neutral” by 2024.
- In October 2020, Alperia SpA acquired 50.51% of the shares of Hydrodata Spa, a leading technical consultancy company in Italy, active in the development and offer of engineering and technical-economic consultancy and applied research in the field of water management. In November, Alperia Innovating was established, a joint venture formed by Alperia and Hydrodata. The operations are part of the initiatives to support the achievement of the significant goals set out in the Business Plan.
- Innovation, research and development are increasingly at the centre of Group-wide activities. The work of the Innovation Board continued and, at the end of September 2020, after the success of the first two editions, Alperia launched the third edition of Alperia Startup Factory. For the first time, this latest edition allowed the Group's collaborators to also present their projects. The goal of these initiatives is to strengthen Alperia's innovative strength, giving new impetus to the renewable energy sector through innovative business ideas.

- Activities for the Group's digitisation continued, as did those to integrate sustainability in a structured way, combining the principles of economic efficiency and social and ecological responsibility.

Pursuant to the Italian Civil Code and Alperia's Articles of Association, the financial statements and the consolidated financial statements will be submitted to the Supervisory Board for approval on May 10<sup>th</sup>.

**General Manager Johann Wohlfarter** had this to say about the results of the Alperia Group:

*"In a year marked by the pandemic emergency, the Group recorded growth results compared to the previous year, confirming the financial, operational and industrial stability achieved over recent years and the success of organisational and management activities during this difficult period.*

*We rapidly put in place all the necessary measures to ensure both the continuity of activities and health protection for our employees, as well as offering proactive help to customers, families and businesses.*

*Despite the pandemic, 2020 was a year of record investments, amounting to approximately €127 million, a significant increase over the previous year (+ 21%).*

*During 2020, activities for the sale of some equity investments deemed non-strategic continued. These related to Selsolar Rimini Srl, sold in June, and Selsolar Monte San Giusto Srl, sold in November. Ottana Solar Power Srl was also the subject of a preliminary share purchase agreement signed at the end of 2020. The sale of the investment in PVB Power Bulgaria AD took place in the first days of March 2021.*

*In February 2021, the Fitch rating agency confirmed Alperia's long-term rating at BBB level, with a "stable" outlook. The confirmation of the rating takes into account the new One Vision 2020-24 Business plan and is further evidence that, albeit during this period of economic and health uncertainty and very volatile prices, the strategic direction and development of the business towards the energy transition and the growing focus on customer needs puts Alperia on the right path".*

The **Chairman of the Management Board, Flora Emma Kröss**, said:

*"The Management Board also approved the consolidated non-financial statement referring to 2020. The Alperia Group demonstrated its role as a leader in supporting the province's development, generating added value of €258 million for South Tyrol, (a net increase compared to approximately €236 million in 2019).*

*In relation to the negative effects of the emergency caused by the Covid-19 pandemic, we are proud to note that the Group - after having promptly put in place various initiatives in 2020 to help the South Tyrolean territory, with support for end customers and donations to some associations committed to the management of the aforementioned emergency - decided once again this year, given the ongoing nature of the pandemic, to continue with the initiatives in support of customers.*

*The proposal for an extraordinary dividend, and the sharp increase compared to 2019, demonstrates Alperia's focus on its shareholders and confirms its confidence in a business model based on the creation of value and sustainable development*

*I would like to thank all our collaborators for their efforts and the results achieved during this complex period marked by the pandemic”.*

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### **Alternative Performance Indicators**

In this press release, some "alternative performance indicators" are used that are not envisaged by the international accounting standards as adopted by the European Union (IFRS-EU), but that the management of Alperia SpA deems useful for better evaluation and monitoring of the performance of the economic and financial management of Alperia SpA and of the Group. In line with the recommendations of the Guidelines published on 5 October 2015 by the European Securities and Markets Authority (ESMA) pursuant to Regulation No. 1095/2010/EU and incorporated by Consob in its supervisory practices with communication No. 92543 of 3 December 2015, the meaning, content and calculation basis of these alternative performance indicators are indicated below:

- **EBITDA** is an alternative indicator of operating performance, defined as earnings before interest, taxes, depreciation and amortisation;

- **Net financial indebtedness** is an indicator of the financial structure. This indicator is determined as the result of financial payables net of cash and cash equivalents and of current and non-current financial assets (financial receivables and securities other than equity investments).

The financial statements were drawn up applying the IAS/IFRS international accounting standards, as required following the listing of Alperia Green Bonds on a regulated market.

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